

Message Text

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SUBJECT: SINO-U.S. TRADE: RECENT VISITORS IN PEKING

REF: A) PEKING 0411 B) HONG KONG 3207

SUMMARY: DESPITE THE CONTINUED POLITICAL CAMPAIGN IN CHINA, OUR IMPRESSION IS THAT BUSINESS CONTINUES TO BE CONDUCTED REASONABLY SMOOTHLY IN PEKING AND THAT PRC TRADE OFFICIALS ARE OUTWARDLY NEITHER TENSE NOR PERTURBED BY THE CAMPAIGN. THIS CABLE LISTS REPRESENTATIVES OF US FIRMS RECENTLY IN PEKING. END SUMMARY.

1. SINO-US TRADE DISCUSSIONS CONTINUE IN PEKING DESPITE THE CURRENT ANTI-CONFUCIUS ANTI-LIN PIAO CAMPAIGN. MOST BUSINESSMEN WE MEET SEE OCCASIONAL EVIDENCE THAT A CAMPAIGN IS UNDERWAY (E.G., POSTERS IN NON-PUBLIC AREAS OF THE TTRADE CORPORATIONS AND IN FACTORIES THEY MAY VISIT) AND ARE OFTEN MADE AWARE THAT THEIR HOSTS MUST ATTEND CAMPAIGN STUDY SESSIONS. A FEW REPORT THAT THESE SESSIONS INTERFERE WITH THEIR MEETING SCHEDULES, BUT MOST FEEL THEIR TALKS REMAIN UNAFFECTED. SEVERAL HAVE BEEN

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ENGAGED IN VIRTUAL ALL-DAY SESSIONS WITH THE CHINESE,

E.G. M. W. KELLOGG, DRESSER INDUSTRIES AND STUART MCGUIRE.

2. AS A SUPPLEMENT TO THE LISTING PROVIDED IN REF A, THE FOLLOWING U.S. COMPANIES HAVE RECENTLY BEEN REPRESENTED IN PEKING:

A. M. W. KELLOGG - AN M. W. KELLOGG TEAM, WHICH HAD BEEN NEGOTIATING WITH THE CHINA NATIONAL TECHNICAL IMPORT CORPORATION (TECHIMPORT) FOR SEVEN WEEKS, LEFT PEKING MARCH 17. THEY HAD BEEN PRIMARILY DISCUSSING THE SALE OF ABOUT DOLS 1 MILLION IN SPARE PARTS FOR THE M.W. KELLOGG AMMONIA PLANTS SOLD TO CHINA LAST YEAR. THEY WERE DISCOURAGED THAT THEY WERE UNABLE TO COMPLETE THEIR NEGOTIATIONS, BUT FELT THIS WAS MAINLY DUE TO THE ILLNESS, TOWARD THE END, OF ONE KEY CHINESE NEGOTIATOR. ANOTHER M.W. KELLOGG TEAM WILL COME FROM HOUSTON IN A FEW WEEKS TO TRY TO WIND UP THIS ASPECT OF THE BUSINESS.

B. DRESSER INDUSTRIES - THE THREE-MAN TEAM WHICH ARRIVED HERE IN EARLY MARCH (REF A) CONTINUES TO HOLD INTENSIVE NEGOTIATIONS WITH TECHIMPORT. THE TALKS ARE FOCUSED PRINCIPALLY ON THE OIL-LOGGING AND PUMPING EQUIPMENT WHICH DRESSER HOPES TO SELL, WITH SOMEWHAT LESS EMPHASIS BEING PLACED ON DATA PROCESSING EQUIPMENT FOR SEISMIC STUDIES.

C. AMPEX - TECHNICIANS FROM THIS FIRM ARE HERE FOR INSTALLATION OF AMPEX VIDEO TAPE RECORDING EQUIPMENT WHICH THE CHINESE PURCHASED LAST JUNE. THE EQUIPMENT IS BEING INSTALLED AT THE PEKING TELEVISION STATION.

D. ORBITAIR INTERNATIONAL, LTD. - E. WALLACE LAWRENCE, CHAIRMAN OF ORBITAIR (STATE 50419), ARRIVED IN PEKING MARCH 21 ABOARD ETHIOPIAN AIRWAYS' INAUGURAL FLIGHT TO PEKING. HE LEFT FOR OTHER PARTS OF CHINA ON MARCH 24. WHILE HE WAS UNABLE TO ARRANGE FORMAL MEETINGS WITH THE CHINA INTERNATIONAL TRAVEL SERVICE AND THE DIRECTORATE GENERAL OF CIVIAL AVIATION OF CHINA (CAAC), LAWRENCE WAS ABLE TO TALK WITH HIGH-LEVEL OFFICIALS OF BOTH ORGANIZATIONS AT A RECEPTION HE ATTENDED AND TO PASS THEM COPIES OF LIMITED OFFICIAL USE

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HIS TOURIST PROPOSALS. ORBITAIR WOULD LIKE TO BRING WEEKLY PACKAGE TOURS OF AMERICAN PROFESSIONAL GROUPS TO CHINA ON CAAC FLIGHTS VIA MOSCOW, AND IS PREPARED TO GUARANTEE UP TO 50 SEATS ON EACH CAAC FLIGHT. THE COMPANY REPRESENTS AEROFLOT IN THE UNITED STATES, AND IS EXPERIENCED IN HANDLING TOURS TO THE USSR.

E. STUART MCGUIRE COMPANY - MR. CABELL BRAND, PRESIDENT

OF THIS COMPANY IS IN PEKING AFTER PURCHASING DOLS 250,000 WORTH OF QUALITY WOMEN'S SHOES FROM THE SHANGHAI BRANCH OF THE CHINA NATIONAL LIGHT INDUSTRIAL PRODUCTS IMPORT AND EXPORT CORPORATION. THE SHOES WILL BE MADE ACCORDING TO STUART MCGUIRE SPECIFICATIONS AND IN ADDITION TO THE CHINESE LABEL, WILL CARRY STUART MCGUIRE'S NAME. THE CHINESE REFUSED, HOWEVER, TO CONSIDER INCLUSION OF A STUART MCGUIRE PATENTED TRADE MARK IN MEN'S SHOES WHICH BRAND WISHED TO BUY. IN PEKING, BRAND IS HOLDING DISCUSSIONS WITH THE PEKING AND TIENTSIN BRANCHES OF THE LIGHT INDUSTRY CORPORATION ON POSSIBLE FURTHER PURCHASES.

F. VERDE SHOE COMPANY - ACCORDING TO CABELL BRAND (SEE ABOVE), ROBERT GREENE OF VERDE SHOES, VISITED CHINA LAST MONTH AND SIGNED A PURCHASE CONTRACT FOR MEN'S SHOES. BRAND GAVE NO INDICATION OF THE AMOUNTS INVOLVED.

G. BILL YEE ASSOCIATES - WILLIAM F. YEE VISITED PEKING MARCH 12 TO 18. HIS FIRM IS LOCATED IN COLLEGE POINT, NEW YORK AND IMPORTS ART FLOWERS AND GIFTWARES.

H. AARVIJAYS IMPORTS, INC. - R. K. SRIVASTAVA (INDIAN CITIZEN), PRESIDENT OF THIS FIRM, IS IN PEKING FOR TALKS ON CARPETS AND VISITS TO RUG FACTORIES IN TIENTSIN AND SHANGHAI. SRIVASTAVA IS ACCOMPANIED BY PAUL SPELTZ, OF IDC MARKETING INC., N.Y. SPELTZ' FIRM REPRESENTS A NUMBER OF US COMPANIES FOR CHINA, INCLUDING COMBUSTION ENGINEERS (CE) WHICH MARKETS WHOLE PLANTS. SPELTZ HOPES TO HAVE TALKS ON CE'S BEHALF WHILE HE IS IN PEKING.

I. FAR EAST IMPORTERS, INC. AND PYROTRONICS CORPORATION - LIMITED OFFICIAL USE

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THE PRESIDENTS OF THESE TWO FIRMS, CHARLES ANDERSON AND PATRICK MORIARTY, RESPECTIVELY, ARRIVED IN PEKING MARCH 23 FOR A WEEK'S DISCUSSIONS WITH THE CHINA NATIONAL LIGHT INDUSTRIAL PRODUCTS IMPORT AND EXPORT CORPORATION ON PURCHASES OF FIREWORKS. THESE TWO FIRMS IMPORTED SEVERAL MILLION DOLLARS WORTH OF FIREWORKS FROM CHINA LAST YEAR. THE TWO PRESIDENTS ARE NEGOTIATING FURTHER PURCHASES AND ARE SEEKING TO EXPLAIN TO THE CHINESE MAJOR CHANGES IN US FIREWORKS REGULATIONS WHICH REQUIRE ALTERATION OF SOME OF THE PRC PRODUCT LINE FOR THE US MARKET. THE US FIRMS ALSO WISH TO LAY GROUNDWORK FOR STEPPED-UP FIREWORKS IMPORTS IN PREPARATION FOR THE US BICENTENNIAL IN 1976.

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